



**Emons Industries, Inc.**

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RECORDATION NO. .... Filed 1423

FEB 8 1988 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

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RECORDATION NO. .... Filed 1423

FEB 8 1988 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

February 3, 1988

2/8/88  
Date  
30.00  
FEB 8 1988

Ms. Mildred Lee  
Interstate Commerce Commission  
12th and Constitution Ave., N.W.  
Washington, D.C. 20423

1 5498 B  
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INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

I am enclosing the following documents to be recorded:

1. Original and a copy of Agreement between the Maryland and Pennsylvania Railroad Company and Burlington Northern Railroad Company, as user, for 48 boxcars.
2. Original and a copy of a Lease of Railroad Equipment between Chase Manhattan B-Air Holdings Corporation, as Lessor, and the Maryland and Pennsylvania Railroad Company, as Lessee, for 48 boxcars.
3. Original and a copy of a Security Agreement between Chase Manhattan B-Air Holdings Corporation, as secured party, and the Maryland and Pennsylvania Railroad Company.

Also enclosed is a check in the amount of \$30.00 (\$10.00 for each document) to cover the costs of filing. I understand that all original documents will be returned to me with the recordation information noted thereon within about a week.

Please let me know if you have any questions regarding this matter.

Very truly yours,

Florence M. Yatchisin  
Manager, Leasing Administration  
(717) 771-1722

Enclosures

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SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT dated as of DECEMBER 3, 1987, between CHASE MANHATTAN B-AIR HOLDINGS CORPORATION, a Delaware corporation with an office at One Chase Manhattan Plaza, New York, NY 10081 ("Chase") and the MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, a Maryland and Pennsylvania corporation with an office at One West Market Street, York, PA 17401 (the "Company").

W I T N E S S E T H:

Pursuant to an Agreement (the "BN Agreement") dated as of the date hereof between Burlington Northern Railroad Company ("BN") and the Company, the Company is providing to BN forty-eight (48) boxcars (the "Cars").

Pursuant to a Lease of Railroad Equipment (the "Lease") dated as of the date hereof between Chase, as lessor, and the Company, as lessee, the Company has agreed to hire the Cars from Chase with the understanding that the Cars will be subleased to BN pursuant to the BN Agreement.

NOW, THEREFORE, the parties hereto agree:

(1) As an inducement to Chase to execute the Lease and to consent to, among other things, the use of the Cars under the BN Agreement (and in consideration thereof), the Company hereby

(i) sells, assigns, transfers, pledges and sets over unto Chase, all of the Company's right, title and interest in and to the BN Agreement and in and to revenue to become due and payable from time to time under the BN Agreement, and the proceeds thereof, and

(ii) grants to Chase a security interest in all accounts of the Company arising from the use of the Cars in the BN Agreement,

in each case as collateral security for the payment and performance of all obligations and duties of the Company to Chase arising under or by virtue of the Lease.

(2) Upon the occurrence of any Event of Default (as such term is defined in the Lease) by the Company, unless such Event of Default shall have been waived by Chase, Chase shall have the right, upon giving BN notice of such default, but without notice to or consent of the Company:

(i) to instruct BN to pay to Chase any amounts payable by BN to the Company pursuant to the BN Agreement;

(ii) to instruct the Company to segregate and pay immediately to Chase any Net Car Hire Revenues (as such term is defined below) received by the Company pursuant to the BN Agreement; and

(iii) to deal with BN with respect to the BN Agreement to the exclusion of any contrary or concurrent instructions from the Company.

For purposes hereof, the term "Net Car Hire Revenues" means Gross Car Hire Revenues (as such term is defined in the BN Agreement) minus the aggregate cost of any expenses relating to the Cars paid by the Company pursuant to the Lease or the BN Agreement.

(3) This Security Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties have duly executed this Security Agreement the day and year first above written.

ATTEST:

CHASE MANHATTAN B-AIR HOLDINGS  
CORPORATION

Philip Y. Buech

By: Anthony R. Blunda, V. P.

ATTEST:

THE MARYLAND AND PENNSYLVANIA  
RAILROAD COMPANY

James W. Wall  
Secretary

By: Frank P. Myers

STATE OF NEW YORK :  
:SS.:  
COUNTY OF NEW YORK :

On the 3rd day of December, 1987, before me personally appeared Anthony J. Blunda to me personally known, who, being by me duly sworn, says that he/she is the Vice President of Chase Manhattan B-Air Holdings Corporation, one of the corporations in the foregoing Security Agreement, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Raymond J. Manger  
Notary Public

RAYMOND J. MANGER  
Notary Public, State of New York  
No. 41-7694450  
Qualified in Queens County  
Cert. filed in New York County  
Commission Expires July 31, 1988

COMMONWEALTH OF PENNSYLVANIA:  
:SS.:  
COUNTY OF York :

On the 3rd day of December, 1987, before me personally appeared Richard E. Meyers to me personally known, who, being by me duly sworn, says that he is the Vice President of The Maryland and Pennsylvania Railroad Company, the Company in the foregoing Security Agreement, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Annmarie Wileczek  
Notary Public

ANNMARIE WILECZEK, Notary Public  
York, York County, Pennsylvania  
My Commission Expires April 16, 1990